Los Osos Wastewater Project

Legislative and Policy Considerations

Regional Water Quality Control Board
July 6, 2007

Board Hearing June 19, 2006

- 2005 – KEY EVENTS
- 2006 – KEY EVENTS
- ASSEMBLYMAN BLAKESLEE'S QUESTION TO COUNTY STAFF

Project Strategies & Objectives

- Project Objectives = Key Elements
- Project Strategies = Board Policies
  - Scope Strategies
  - Schedule Strategies
  - Budget Strategies

6 KEY LEGISLATIVE ELEMENTS

A Property Owners' Decision:

1. Property owners agree – via Prop 218 election – to pay for project

2. If Prop 218 doesn't get majority approval, County has no further responsibility or obligations

6 KEY LEGISLATIVE ELEMENTS

State Agency Commitments:

3. State water board agreement to expedite processing of low-interest loan

4. State & Regional Water Boards agreement to hold enforcement actions in abeyance

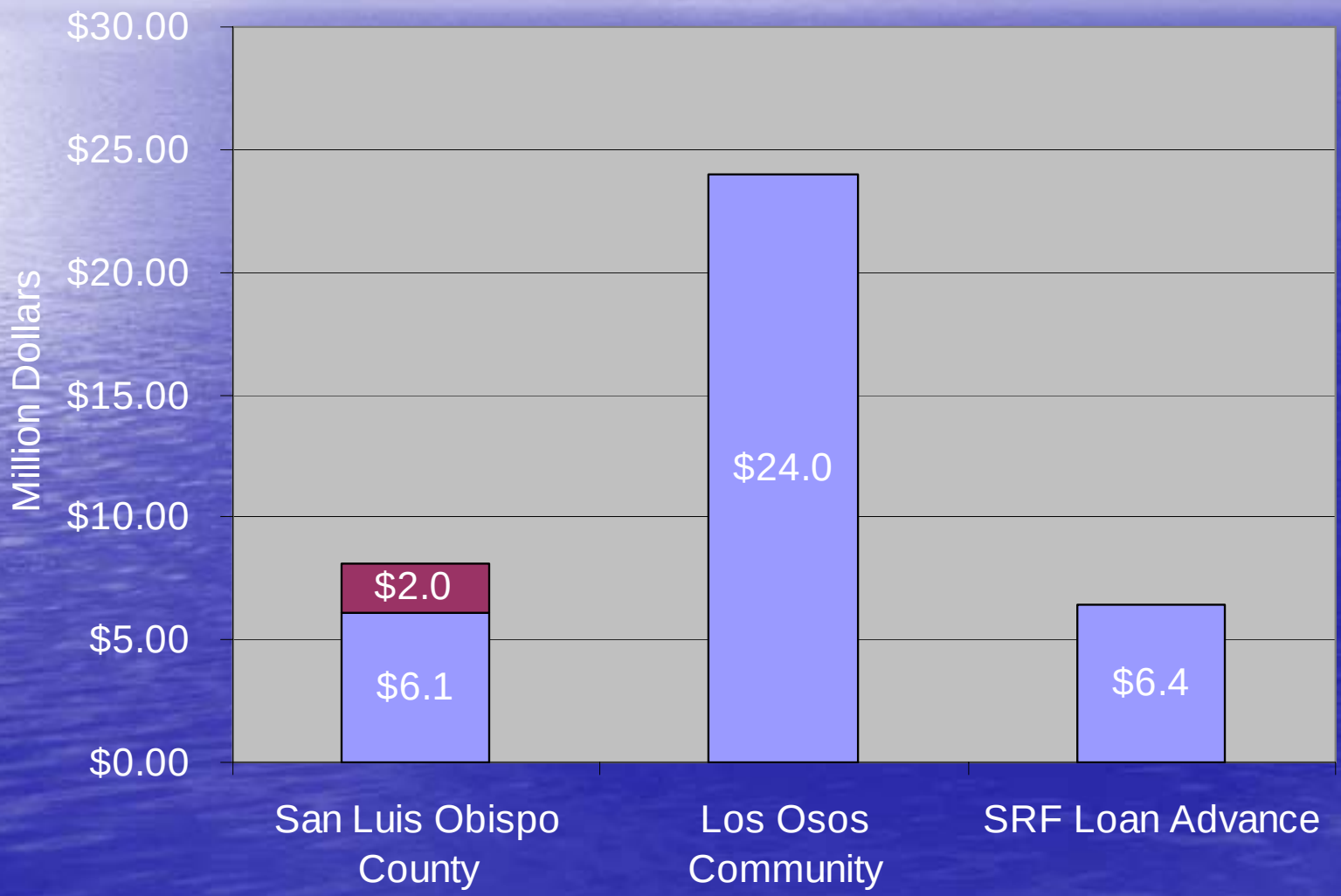
6 KEY LEGISLATIVE ELEMENTS

Liabilities and Responsibilities:

5. LOCSD's liabilities remain theirs – no transfer to general County taxpayers

6. LOCSD won't initiate any additional work on this project to avoid duplicative efforts and agreement that County would have sole responsibility for project

Los Osos Wastewater Project Expenditures



June 19, 2006

- Local Agency Solutions
  - A solution though the County is the only option with certainty
  - A failed Proposition 218 vote leaves significant uncertainty with a bankrupt LOCSD
- State Implemented Solutions

Current Status - Scope

- Project Alternatives Analysis
  - Developing Options for the Community
  - Status of "Tri-W"
- Assessment Engineering
  - Preparing for Prop 218 Hearings
- The TAC Pro/Con Analysis
- Community Outreach

Report Overview

- Chapter 1—Introduction
- Chapter 2—Effluent Reuse/Disposal

Community to Decide What Level of Mitigation To Achieve

Seawater Intrusion Mitigation Levels

Level	Absolute Volume Mitigated (AFY)	Project Impact, Relative to Current Conditions (AFY)	Overall Basin Balance (at Current Pumping Rates) (AFY)	Description
Level 0	0	-90	-550	No mitigation of seawater intrusion
Level 1	90 to 140	0 to 50	-460 to -410	Mitigation of seawater intrusion similar to current conditions
Level 2	190 to 240	100 to 150	-360 to -310	Maximum mitigation of seawater intrusion possible without purveyor participation
Level 3	550 to 600	460 to 510	0 to 50	Achievement of a balanced basin at present water use rates
Level 4	780 to 830	690 to 740	230 to 280	Achievement of balanced basin at buildout

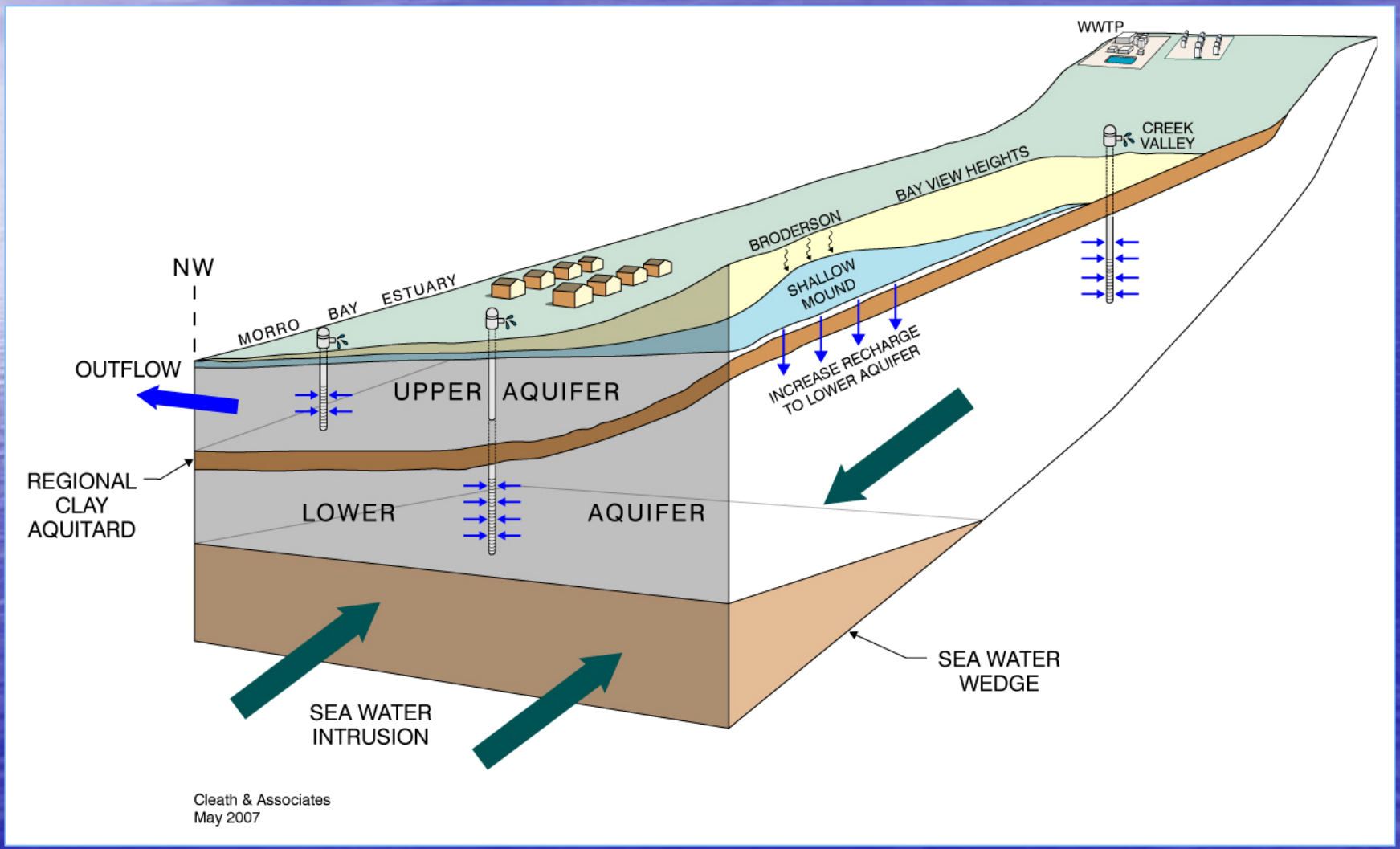
Notes:

(1) In addition to the benefits associated with complying with the WDR.

(2) One acre-foot/year (AFY) is equal to 892 gallons per day (GPD).

(3) Level 3 and Level 4 are possible to achieve, but only with extensive infrastructure reconfiguration by the water purveyors.

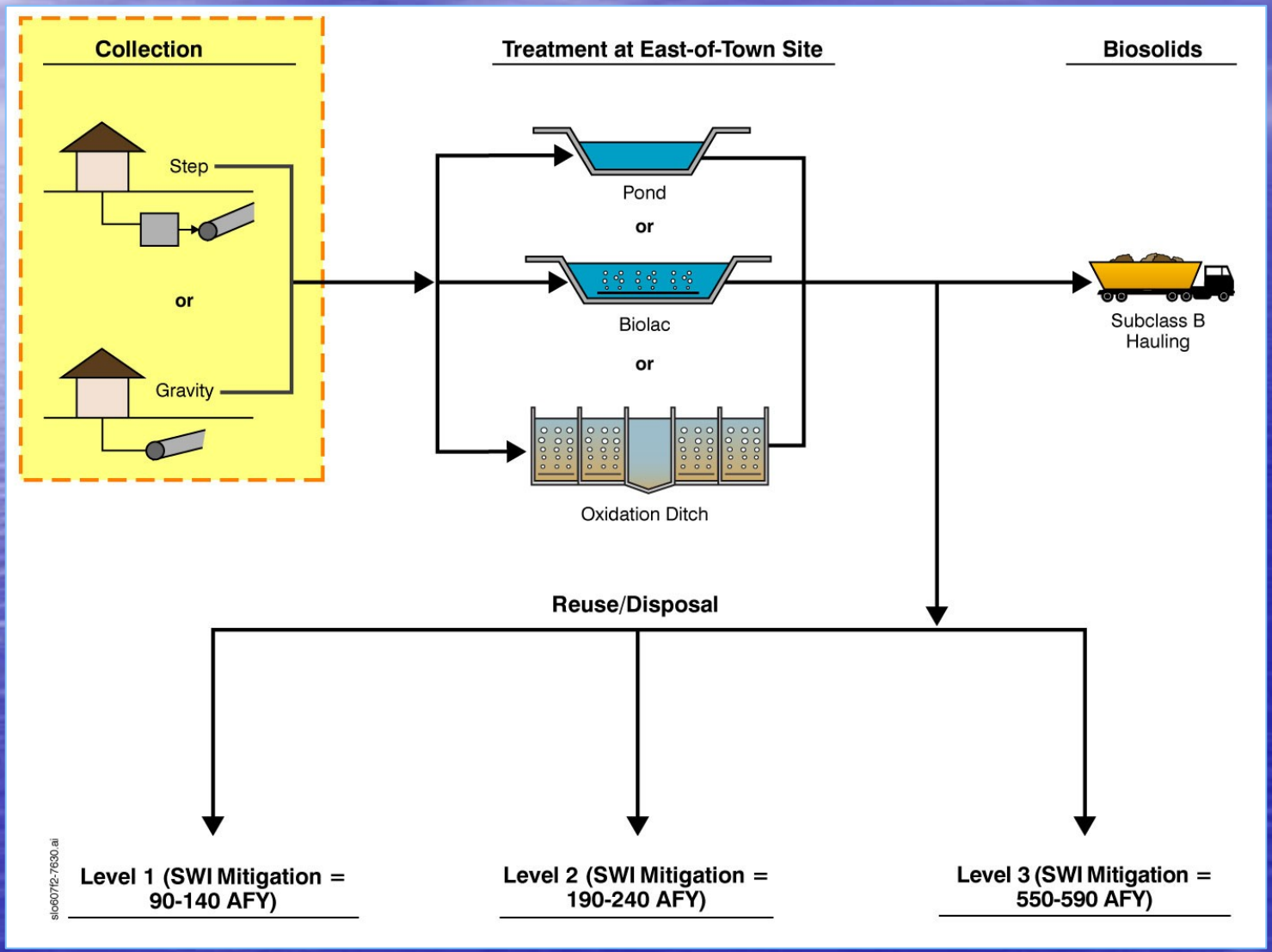
Seawater Mitigation Potential



Report Overview

- Chapter 1—Introduction
- Chapter 2—Effluent Reuse/Disposal
- Chapter 3—Collection System

Collection System Options



Report Overview

- Chapter 1—Introduction
- Chapter 2—Effluent Reuse/Disposal
- Chapter 3—Collection System
- Chapter 4—Treatment Technologies

Report Overview

- Chapter 5—Solids Treatment And Disposal
- Chapter 6—Treatment Facility Sites

Treatment Facility Site Options

High Priority

Properties with fewest constraints and most advantageous location for construction of treatment plant

Tri-W

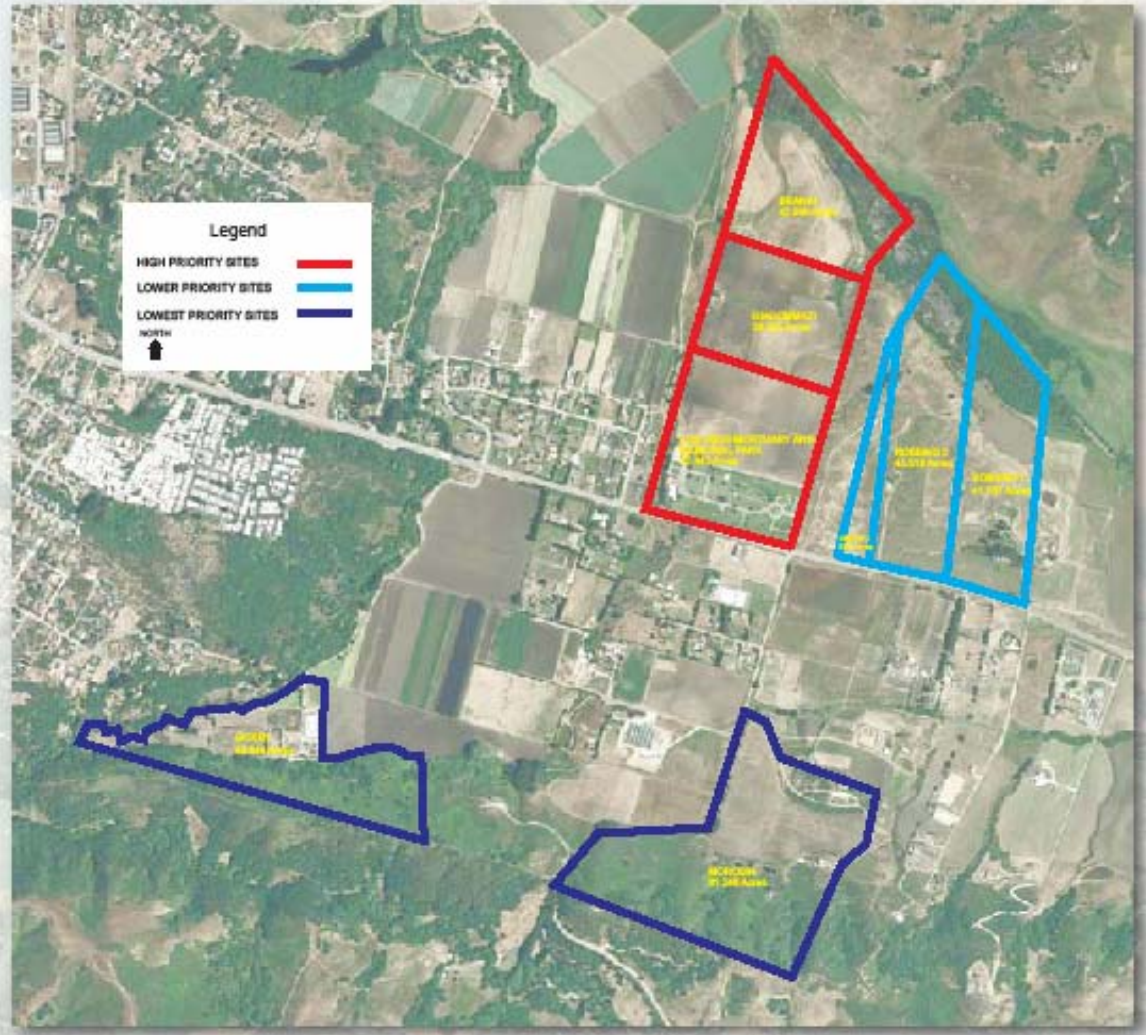
The Tri-W location is the only in-town site carried forward

Lower Priority

Properties with more constraints and less advantageous location than high priority site

Lowest Priority

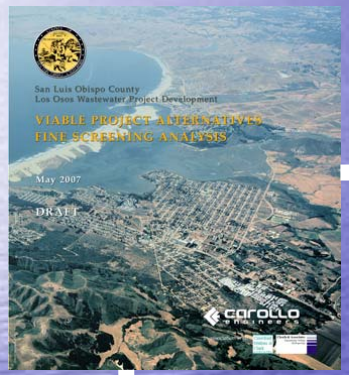
Properties with most constraints that would render them last choices



Report Overview

- Chapter 5—Solids Treatment And Disposal
- Chapter 6—Treatment Facility Sites
- Chapter 7—Summary of Viable Project Alternatives (Community Options)

The Fine Screening Report Will Be the Basis for Parallel Efforts



TAC Pro/Con Analysis

Final Project Options

CEQA+

Community Survey

Due Diligence

Project Selected

Assessment Engineering

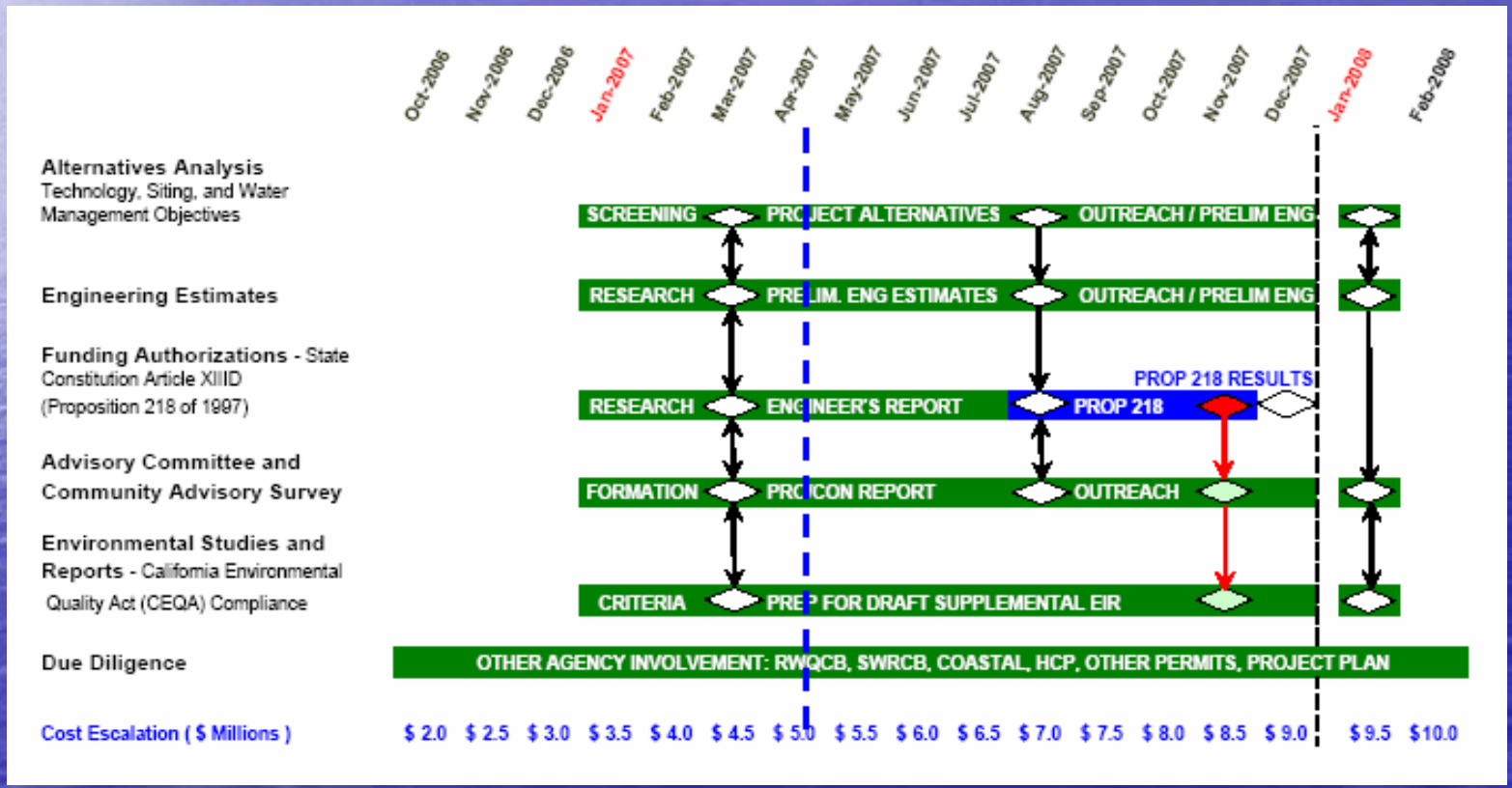
P 218 Vote

Funding

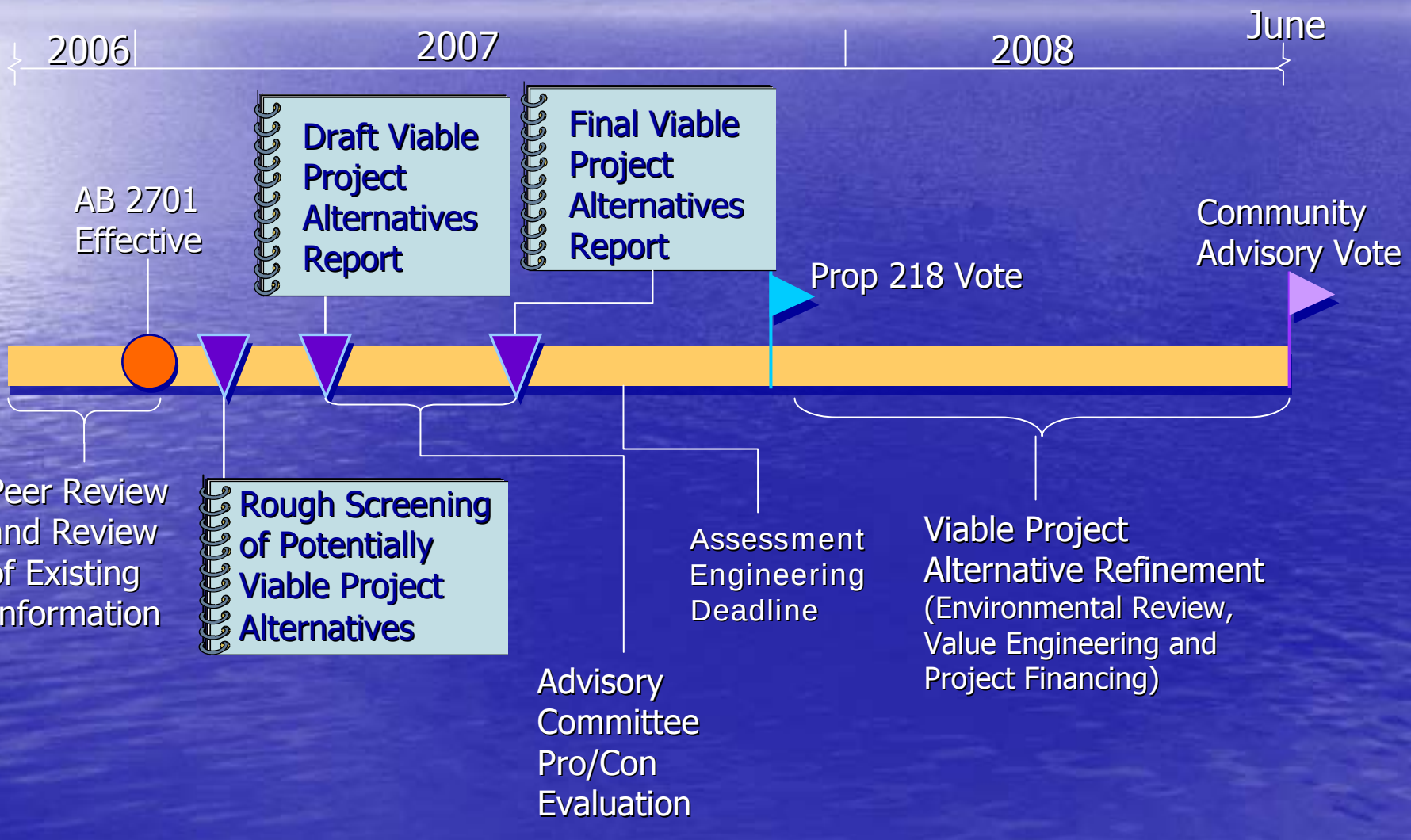
Project Design & Construction

Stakeholders Input Is Critical For A Successful Outcome

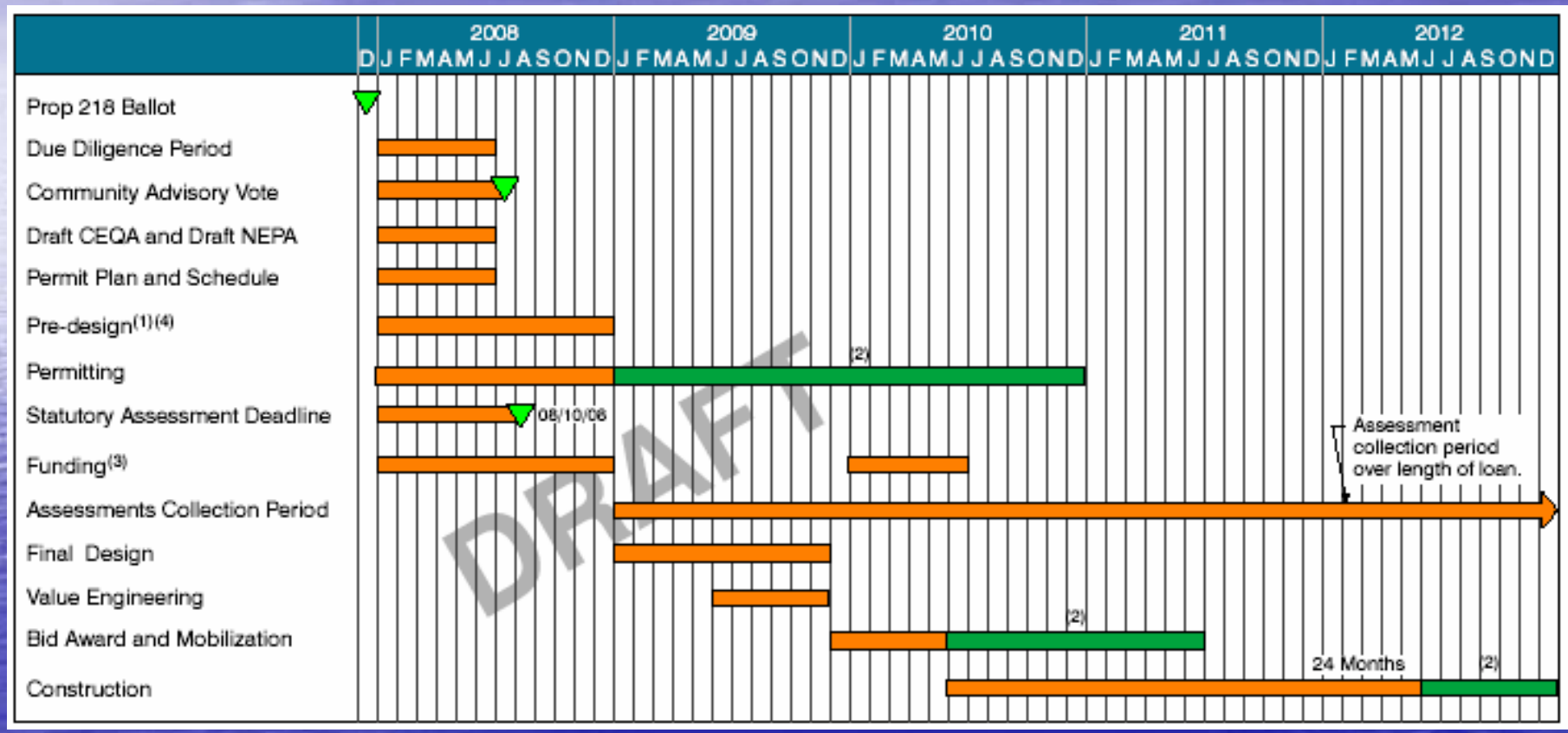
Current Status - Schedule



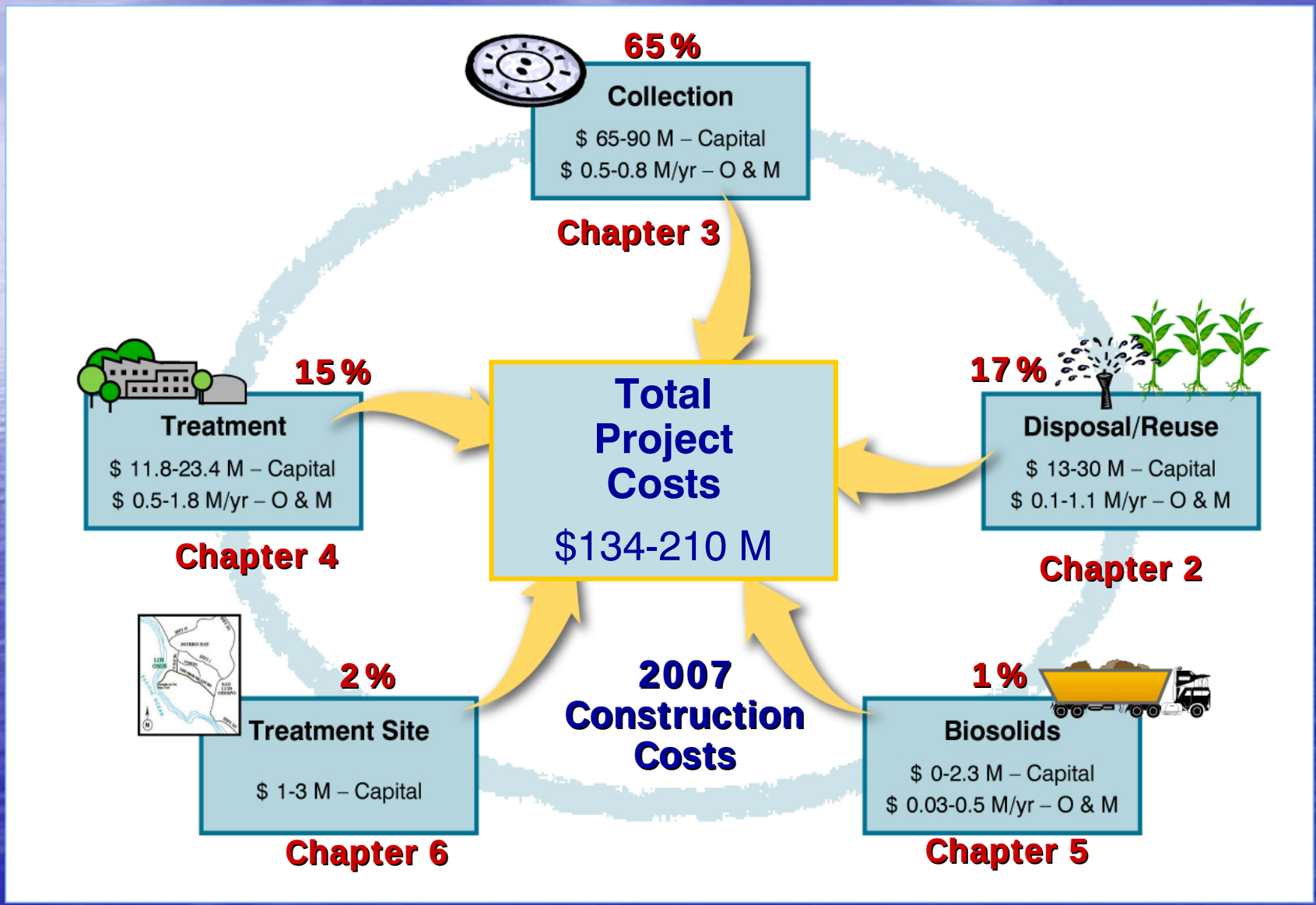
Viable Project Alternative Development Schedule



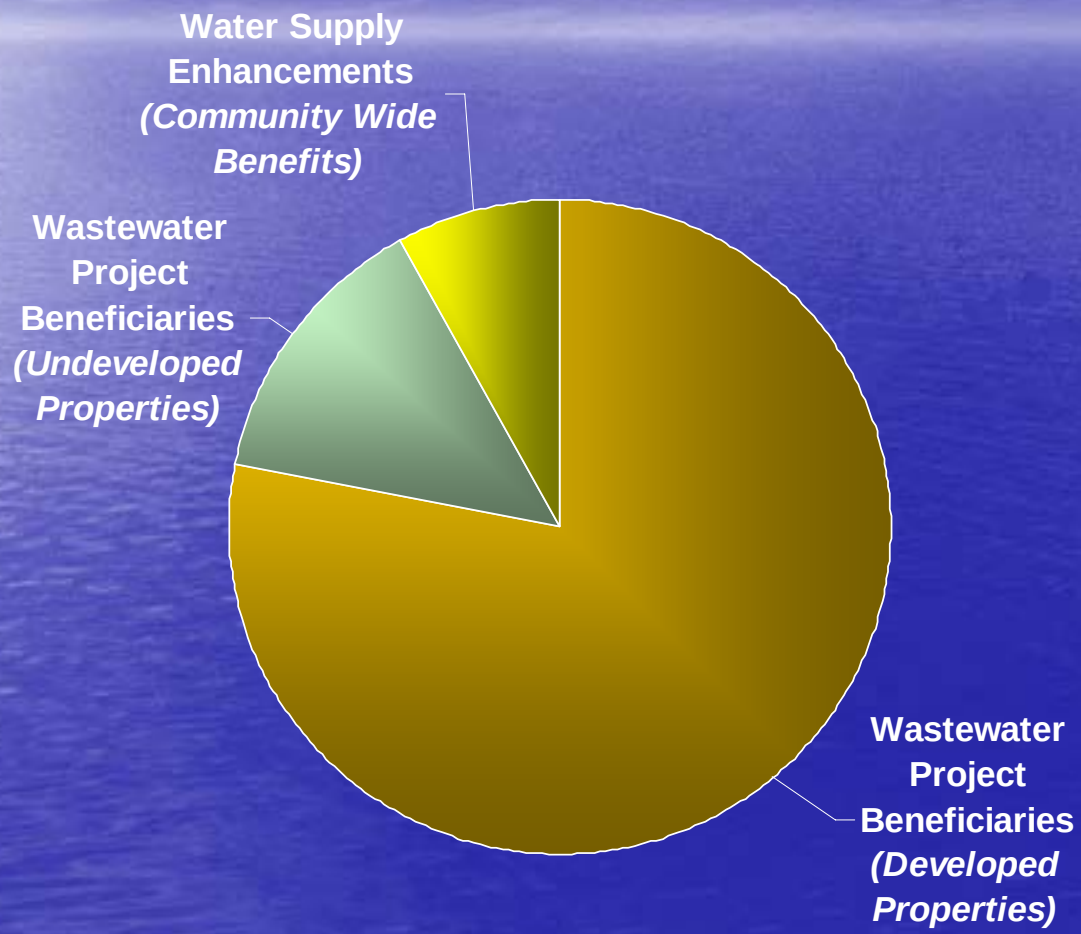
Long Term Schedule



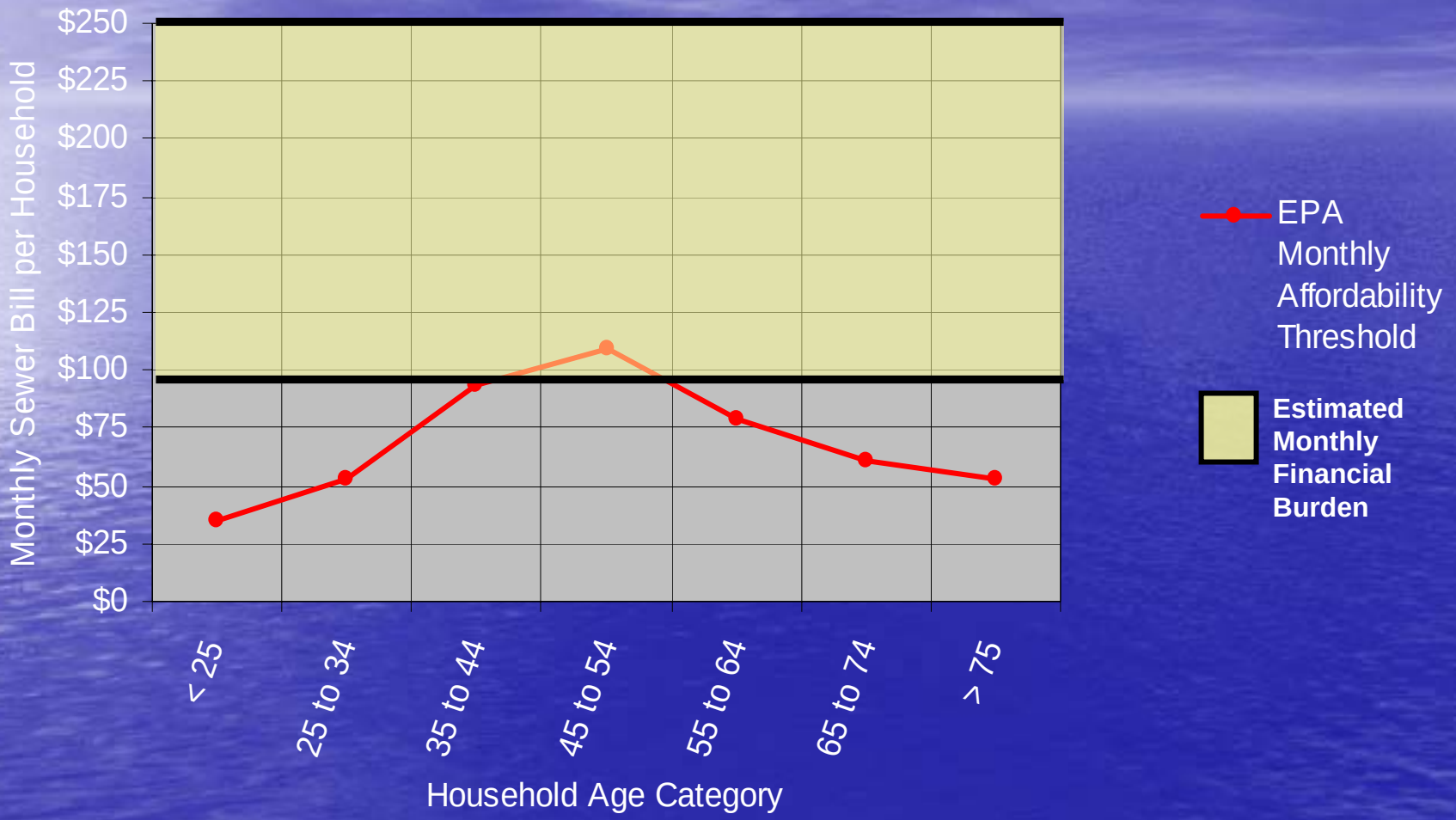
Project Cost Estimates



Analyzing the Costs



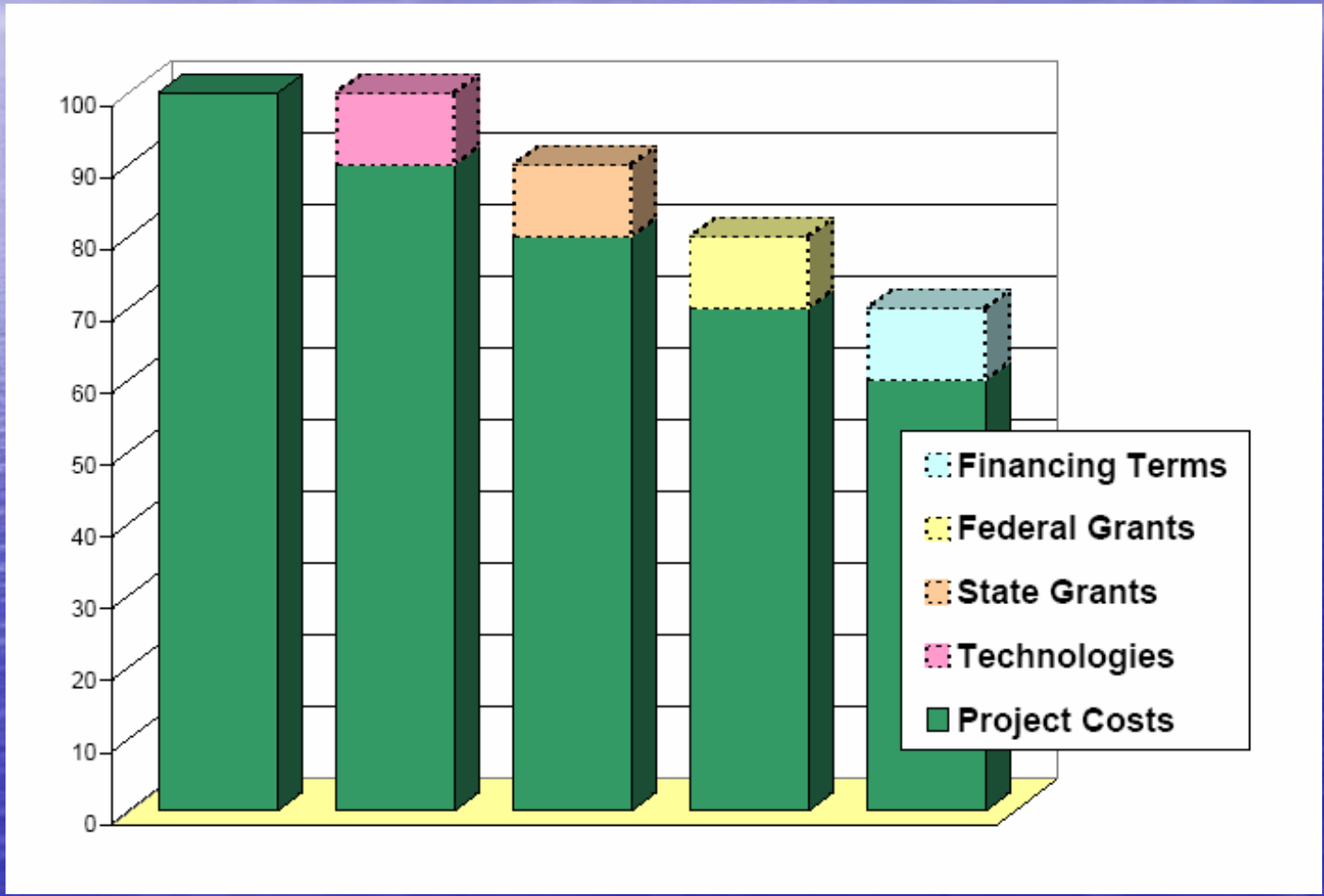
Los Osos Affordability
EPA Affordability by 2000 Census Household Age Category



MHI & Household figures from the 2000 U.S. Census

EPA Monthly Affordability Threshold derived from the EPA's "Information for the States on Developing Affordability Criteria for Drinking Water" Appendix E

Mitigating Affordability Challenges



HR 1495 – Approved April 19, 2007

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Summary of Overall Project Efforts

- Developing Community Options → County Staff and Consultants
- Pro/Con Analysis of Community Options → TAC
- Assessment Engineering → County Staff, Consultants, and Legal Counsel
- Adopting Assessments → County Board of Supervisors
- Proposition 218 Vote → Property Owners

Summary of Overall Project Efforts

- Community Survey on Preferred Project Options → Property Owners, Residents, Business Owners
- "Due Diligence" per AB 2701 → County Staff, Legal Counsel and Board of Supervisors
- CEQA and Regulatory Compliance → County Staff, Consultants, & Board of Supervisors
- Final Project Selection → County Board of Supervisors

Summary of Overall Project Efforts

- Project Financing → County Staff, Consultants, Legal Counsel, "Private/ Bond Markets," and Other Agencies
- Project Design → County Staff and Consulting Engineers
- Permits from State & Federal Agencies → County Staff and Consultants
- Project Construction → Private Industry Contractors
- Project Operations → County or Private Operators

Questions?